



To: Indiana Housing Finance Authority Board of Directors
From: Sheryl Sharpe, Wendy Landes, Shannon Fountain
Date: January 25, 2001
Re: Indiana Low Income Housing Trust Fund

The following loan was originally approved by the IHFA Board of Directors in July 1999. The borrower is requesting a change in the original terms of the loan.

Whitley Crossings Neighborhood Corporation, Inc.

TF-99-06

Trust Fund Amount Awarded: \$450,000
Total Project Costs: \$2,204,781
Primary Project County: Whitley
Housing Activity: Rental Rehabilitation
Construction Loan
Anticipated # of Assisted Units: Twenty-Two (22)
Income Range: 59% (13 units) at or below 60% of AMI
41% (9 units) at or below 50% of AMI

Loan Terms	Original Terms	Proposed New Terms
Loan Amount	\$450,000	\$450,000
Rate	3%	3%
Term	2 years	2 years
Amortization	N/A – simple interest	N/A – simple interest
Security	1 st mortgage	2 nd mortgage
Repayment Schedule	Annual interest-only payments with a balloon at the end of the 2 nd year.	Annual interest-only payments with a balloon at the end of the 2 nd year.

This project is located in Columbia City and involves the rehabilitation of the historic Clugston Hotel on the town square into apartments for senior citizens. Whitley Crossings wants to close with their permanent lender prior to paying off our loan. This lender, Star Bank, is requesting first position on their loan of \$210,000. Whitley Crossings is requesting that IHFA subordinate to the other lender for the remaining term of the Trust Fund loan. They have put approximately \$1.7 million in hard costs into the property.

They are current on their interest payments. Although they have indicated to staff that the project has experienced some cost overruns and delays, it will be completed by February 2001.

Staff is recommending that IHFA subordinate the Trust Fund loan. There is adequate security to cover both loans and, in accordance with their loan terms, they will make a final balloon payment in September 2001.